INTERNATIONAL MONETARY FUND

The Post Financing Assessment (PFA)

After completing an IMF lending program, a country may be subject to a Post Financing Assessment (PFA). It aims to identify risks to a country's medium-term viability and provide early warnings on risks to the IMF's balance sheets.

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<tr><td>Purpose</td><td>Ensure that a country that has completed an IMF lending program maintains economic and financial health, and that IMF funds can be repaid to be made available to other member countries. When necessary, IMF staff can advise on policy actions to correct macroeconomic imbalances.</td></tr>
<tr><td rowspan="3">Criteria</td><td>Generally expected for all member countries that have substantial IMF credit outstanding following the expiration of their lending programs.</td></tr>
<tr><td>The IMF's Managing Director recommends a PFA to the Executive Board when the outstanding credit of a country to the IMF exceeds any of these thresholds:
• 200 percent of quota from the General Resources Account (GRA), or from Poverty Reduction and Growth Trust (PRGT), or a combination of them.
• SDR 1.5 billion for credit from the GRA
• SDR 0.38 billion from the PRGT, and it no longer has program involvement of any kind with the IMF.</td></tr>
<tr><td>In some cases, a PFA might not be needed even if the country meets the criteria above. This can apply when a successor borrowing arrangement, PCI, PSI or an SMP is expected to be approved within six months, or when the policies and external position of the member country are</td></tr>
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	determined to be sufficiently strong that a PFA would be unwarranted.
	In other cases, a PFA may be required even if the country’s outstanding credit is below the above-specified thresholds. This occurs if economic developments call into question the country’s progress toward external viability.
Timing	The IMF Executive Board decides on a PFA at the time of the last lending program review if the country’s outstanding credit is expected to exceed any of the specified thresholds and no follow-up program engagement is envisaged. However, the Board can decide on a PFA for a country at any time during the lending program or after the program expires, typically presented to the Board for lapse of time approval.
Duration	In effect until the country’s outstanding credit to the IMF falls below the applicable thresholds.
	The IMF’s Executive Board can agree to discontinue a PFA—even before outstanding credit falls below the thresholds—if strong policies are in place and the external position is sound.
Process	Countries undertake more frequent formal consultations with the IMF than is the case under the IMF’s policy advice cycle, with a particular focus on macroeconomic and structural policies, and risks that have implications for the country’s external viability and capacity to repay the IMF. There is normally one standalone PFA staff report issued to the Executive Board in a 12-month period.